DOCUMENT RESUME

ED 393 528 JC 960 238

AUTHOR	Kourilsky, Marilyn; And Others
TITLE	The New Youth Entrepreneur: Getting Ready for Entrepreneurship. Opportunities-They Are All Around You. Module 2.
INSTITUTION	Education, Training, and Enterprise Center, Inc., Camden, NJ.; Ewing Marion Kaufmann Foundation, Kansas City, MO. Center for Entrepreneurial Leadership.
PUB DATE	95
NOTE	49p.; For Modules 1-12, see JC 960 237-248.
AVAILABLE FROM	EDTEC Education, Training, & Enterprise Center, Inc., 313 Market Street, Camden, NJ 08102.
PUB TYPE	Guides - Classroom Use - Instructional Materials (For Learner) (051)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	*Business Administration; *Business Skills; *Economic Opportunities; Education Work Relationship; *Entrepreneurship; Free Enterprise System; Late Adolescents; Learning Activities; Risk; *Self Employment; *Small Businesses

ABSTRACT

The New Youth Entrepreneur curriculum is a series of 12 youth-oriented educational modules containing instructional materials, learning activities, and checkup exercises designed to teach students key elements of entrepreneurship. This document is the second module, designed to help students define the notion of opportunity, determine sources of opportunities, identify opportunities in their schools and communities, evaluate the potential benefits or costs of an opportunity, and understand the difference between an idea and an opportunity. The first section of the module provides exercises designed to show that entrepreneurial opportunities can be found all around students, while the second section highlights six common sources of opportunities, such as general unfulfilled wants or daily annoyances that might be solved. The third section provides activities to help students develop their ability to find opportunities in their neighborhoods and schools, while the fourth section focuses on evaluating opportunities in terms of costs and risks, examining issues related to existing competition, the length of the opportunity, the market for it, and students' experience in the area. The final section presents exercises related to taking an entrepreneurial "safari," or exploring the sometimes hidden opportunities that are available. (CELCEE, an Adjunct ERIC Clearinghouse on Entrepreneurship Education) (MAB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 393 528

The New Youth Entrepreneurs

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
X This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY
D. Strom
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Getting Ready For Entrepreneurship

Opportunities - They Are All Around You

Module 2

TC 960 238

CENTER FOR ENTREPRENEURIAL LEADERSHIP INC.

EWING MARION KAUFFMAN FOUNDATION

EDTEC
Education, Training & Enterprise Center

*A YESS! Product

BEST COPY AVAILABLE

Special thanks to –

Kelly Brine, Illustrator
and

Anne Marie Conway

Alice Darnell

Kate Pope Hodel

Dr. Stella Horton

Barbara Saltzman

Mark Watson, ESQ

for their contributions to the curriculum, production and review process.

For More Information Contact

EDTEC

Education, Training & Enterprise Center, Inc.
313 Market Street
Camden, NJ 08102
Phone: (609) 342-8277
Fax: (609) 962-8110

Recycled Paper

THE NEW YOUTH ENTREPRENEUR

Opportunities - They Are All Around You

Module 2

Created By

CEL

Marilyn Kourilsky
Carol Allen

EDTEC

Aaron Bocage
George Waters

Consultant

Gary Rabbior

© 1995 EDTEC and Center for Entrepreneurial Leadership Inc.

Opportunities - They Are All Around You

- Sources of opportunity
- Finding opportunities
- "Thinking Sideways"
- Evaluating opportunities

Opportunities - They Are All Around You

1

Opportunities - They Are All Around You

Entrepreneurs take advantage of opportunities. They identify opportunities for new business ventures and then establish businesses to produce goods and services. But what are opportunities? Where do you find opportunities? Are there opportunities in your school or in your community? How do you know if an opportunity is a good opportunity or not? These are the kinds of questions we will look at in this module. By the end of this unit, you should be able to:

1. Define an opportunity.
2. Describe what gives rise to opportunities.
3. Look for and recognize different kinds of opportunities.
4. Identify opportunities in your school or community.
5. Tell if an opportunity is a good one or not.
6. Understand the difference between an idea and an opportunity.

A window of opportunity can open at any time!

These windows give you a chance to look through and find a road to success.

But you have to find the windows!

Opportunities-They Are All Around You

PARTIES TO GO

Maria is a young entrepreneur. She set out to find an opportunity and she found one.

Maria's sister Sylvia had a problem - her daughter's fifth birthday was approaching, and Sylvia was extremely busy running her accounting business. She told Maria that she wanted to have a party for her daughter, but she simply didn't have time to buy and address invitations, locate a place to have the party, purchase party favors, and deal with all the details necessary to host a birthday party for her little girl.

This problem created an opportunity, which Maria identified. With more and more parents working, it was difficult for them to carry out all the tasks necessary to provide birthday parties for their children. One solution to this problem would be for Maria, or someone like her, to set up a business providing the service of planning, organizing, and actually providing, birthday parties for children.

Maria offered to perform this service for Sylvia, at no charge. This would help Maria try out her idea and assess her costs, and the amount of time she would need to spend to plan and carry out a party. She also surveyed other working parents in her neighborhood, to ask if they might be interested in such a service. This experience gave Maria the information she needed to evaluate her idea.

As a result of her analysis, Maria came to the conclusion that her idea really was a business opportunity! She set up Parties To Go - a service which would:

- take advantage of parents' desire to give their children birthday parties.
- meet the challenge of parents' busy schedules.

Parties To Go is designed to provide a service offering convenience, quality, and fun. This young entrepreneur spotted an opportunity and came up with an idea for a business. She took some initiative and, hopefully, will meet with success.

Opportunities -They Are All Around You

What about you? Let's check out your thinking regarding this opportunity and idea.

1. Define the opportunity. What do you think is the opportunity that Maria has identified?

_____

_____

_____

2. Define her idea. What idea has Maria come up with to respond to this opportunity?

_____

_____

_____

3. Would you want to be her partner? Think about her idea and then identify what you think are its strengths and weaknesses.

   Strengths of the Idea:

_____

_____

_____

   Weaknesses of the Idea:

_____

_____

_____

Opportunities-They Are All Around You

4. Would you be willing to invest in Maria's Idea?

   YES _____ NO_____

   Explain the reasons for your answer:

   _____

   _____

   _____

5. Can you come up with another idea to take advantage of this opportunity? What idea(s) can you come up with to respond to parents' busy schedules?

   Write your idea(s) below:

   _____

   _____

   _____

   _____

   _____

   _____

   _____

Opportunities exist when people want a good or service that is not easily available and are willing to pay for it. And the funny thing is, opportunities are all around us if only we stop to look for them.

Opportunities - They Are All Around You

The most successful entrepreneurs are opportunity focused. This means they start with what customers and the marketplace want and do not lose sight of those wants.

In the case of Maria, she is counting on people wanting the convenience of a party planning service. She is also hoping that her business can respond to the customers' demand before, and better than, other entrepreneurs.

Entrepreneurs, even if they are not the first to do something, seldom get a chance to relax. Competitors are usually hot on their heels if the entrepreneur has come up with a profitable business idea. Profits are the returns to entrepreneurs (after covering all their costs) for the risks and efforts they take to set up and run a business.

When profits are earned, it is a sign of "**demand**" - people want what is being provided and are willing to spend their money on it. But profits are also a signal to other entrepreneurs that get them thinking about possibly competing. That is why the quality of service provided, and areas like customer relations, are so important. If you face competition, you'd better be able to give people a reason to give their business to you rather than to someone else. You must be able to show your customers the advantages of your product or your business at large.

Think for a moment about why you give your business to one company over another and then list ways in which one business can compete against another to attract customers. After you have completed your list, look at the bottom of page eight for some of the possibilities.

_____

_____

_____

_____

_____

_____

6

Sources of Opportunity

Now let's consider some of the things that create wants, backed by a willingness to pay and, therefore, provide opportunities for entrepreneurs.

As you read, think of some examples of your own. Use these to complete the "Opportunity Example" sentences. Then list some solutions - products or services - that would match these opportunities.

➳ **"If only I had a ..."**

There are some wants for which no good or service exists. Such wants tend to develop over time, particularly as changes occur such as changes in people's interests and changes in technology. Examples of such changes include people's growing interest in playing baseball and soccer and the growth of product technologies such as roller blades, pagers, high spring tennis shoes, CD players, video games, high-performance skateboard wheels, personal computers, and cellular phones. Can you think of other examples? Can you think of any new "wants" that have been created by these developments that are, as yet, unfulfilled?

Sources of Opportunity

Do you think there are people in your community who might say "I wish I had..."

- a vegetable garden."
- someone to help me carry things."
- someone to tell bedtime stories to my children."
- someone to help me learn how to use a computer."
- someone to change the oil and other fluids in my car."
- someone to fix up or tune up my bike."

OPPORTUNITY: IF ONLY I HAD A....

Opportunity Example - If only I had a..."

_____

_____

_____

Solution:

_____

_____

_____

Ways which one business can compete against another: price, location, service, reliability, reputation, quality, customer relations, hours of operation, advertising, experience and track-record. Can you think of others?

8

Sources of Opportunity

"I want some more, please."

A want may have been met - but not completely. People may want more of something than is currently available. Can you think of a "want for more"? What isn't there enough of or what would people use more of, if it were available?

Profits, as we discussed, are often a good sign for these opportunities. If one or more businesses are making good profits from providing a particular good or service, it may mean that there is room for more producers or providers.

Are there enough people to umpire Little League games in your community?

OPPORTUNITY: I WISH THERE WERE MORE.....

Opportunity Example - "I wish there were more..."

_____

_____

_____

Solution:

_____

_____

_____

9

Sources of Opportunity

➳ **"You can do better than that! Hey, maybe I can do better than that."**

A want may have been met - but maybe not as well as it could be. In some cases, there may exist a product or service, but it is not as good as it could be. It could be better. Can you think of a product or service that could be improved?

OPPORTUNITY:
IT WOULD BE BETTER IF .....

Opportunity Example - "Maybe it could be done better if..."

_____

_____

_____

Solution:

_____

_____

_____

Sources of Opportunity

➳ **"Today's forecast-change! Followed by change and then more change!"**

As the world changes around us, people's wants also change. A challenge occurs when changes happen. For example, change can put past and current successes in jeopardy. You may have been farming in a particular way that is no longer appropriate because research has led to the banning of certain fertilizers or chemicals you had been using. A new highway may be built that reroutes traffic away from your restaurant. A vending machine that sells french fries may affect all of the french fry sellers. The invention of something like rollerblades may affect the market for another product (e.g. skateboards). In other examples, pollution is affecting the quality of our water and air. Over harvesting is affecting fish and whale stocks in the seas.

New developments occur all of the time and can affect our wants and how we do business. Such changes are a constant source of opportunities for entrepreneurs. Can you think of a current change/development that is posing a challenge to which entrepreneurs can respond? Do you have an idea for a product or service that could meet this change/challenge?

OPPORTUNITY:
A CHANGE -
A CHALLENGE

Opportunity Example - "A Change - A Challenge"

_____

_____

_____

Solution:

_____

_____

_____

Sources of Opportunity

➳ **"Don't Bug Me!"**

Entrepreneurs will find opportunities in **annoyances**. Anytime a large number of people are annoyed by something, there is an opportunity. Just think of them all. Mosquitoes. Snoring. Dandruff. Long hair falling in your eyes. Sunburn. Cars getting hot on warm days. Snow on the sidewalk. Dirty aquariums. House numbers that are hard to read when you are making a delivery. Weeds. Cracks in the sidewalk. Dirty windows. There are so many. But are there any that haven't been addressed yet - or addressed as well as people would like? Try to think of one or more and what kind of goods or services could help reduce the annoyance.

OPPORTUNITY:
AN ANNOYANCE

Opportunity Example - "An Annoyance"

_____

_____

_____

Solution:

_____

_____

_____

Sources of Opportunity

➳ **"Oh No!"**

Problems are also opportunities. People usually think of a problem as being more serious than an annoyance. A problem can be something that stands in your way of moving ahead - doing something better, doing something as you would like to do it. For example, in business, photocopiers break down. That's a problem that needs to be fixed. Cars can be prone to rust in areas where salt is put on the road during winter months. That's a problem. Employees sometimes get sick and can't come to work. That's a problem. On the homefront, there are some people who break into homes. That's a problem. Sometimes there are fires that occur around stoves. That's a problem.

One commandment of the entrepreneur is that "Every Problem Is An Opportunity!" If you keep that in mind and believe it, it can change your life.

Sources of Opportunity

Can you think of a problem that has yet to find a solution? What kind of good or service might be a good solution?

OPPORTUNITY: A PROBLEM

Opportunity Example - "A Problem"

_____

_____

_____

Solution:

_____

_____

_____

These last sections have talked about some of the different ways people's wants are created, wants which could lead to entrepreneurial opportunities.

Sources of Opportunity

Check Point! Check Your Understanding

1. What is meant by an entrepreneurial opportunity?
2. What is meant by the term "demand"?
3. How can businesses compete with each other for customers?
4. Choose four of the following six sources of opportunities and for each one give an example of an entrepreneurial idea that responded to the opportunity.

    - an unfilled want
    - a want for more
    - a want for better
    - a change
    - an annoyance
    - a problem

Finding Opportunities

Using Your Senses

Your Senses Are Important In Finding Opportunities

- Use your ***eyes*** to look for opportunities.
- Use your ***ears*** to listen for opportunities.

An entrepreneur knows how important it is to make good use of your senses. It is a way to notice and remember possible opportunities for business ideas.

Opportunities Are All Around You

But you have to keep your eyes and ears open!

You have to be on the alert for them if you want to recognize them!

BEST COPY AVAILABLE

Finding Opportunities

You can test and train your senses in many ways. To train one of your senses, you need to do two things. You need to:

1. Practice using that sense.
2. Practice remembering what you experience with that sense.

Here are some examples of ways to test and train your senses:

HEARING

Sit quietly with your eyes closed for about two minutes. Then, answer the following questions.

a) How many different sounds can you hear?

b) What made the sounds you heard?

Make a list of all the sounds you heard, and what you think made them.

_____

_____

_____

Successful entrepreneurs usually use their ears very effectively to listen to conversations, news broadcasts, and even movies and songs for possible business opportunities and product ideas. At home, sit quietly for 15 minutes and practice listening.

Sounds that you heard:

_____

_____

_____

Made by:

_____

_____

_____

Finding Opportunities

SIGHT

Have someone put 10 objects on a tray or table and cover the objects with a cloth without letting you see what the objects are.

Now, have the person uncover the objects and let you look at them for about 10 seconds. When the time is up, cover the objects and list what you saw:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Check yourself by looking at the objects again and comparing them to what is on your list.

Finding Opportunities

Successful entrepreneurs use their eyes all the time for reading, for noticing what is in their environment, and for noticing what is missing from their environment for possible business opportunities and product ideas.

EXAMPLE: A young man from Camden, New Jersey took a walk around several blocks of downtown Camden to see what was there. After taking a careful look at Market Street in that city, he saw that there were many businesses. They all had sidewalks in front of them. Most of the sidewalks and front steps were dirty. He did not see store owners sweeping the sidewalks.

He developed his own summer business of cleaning up the area in front of the business places of his clients.

He saw an opportunity and he acted. He took advantage of the opportunity to start his own little business. It wasn't hard to see. You just had to be looking.

Many other young people walked down the same street. Many of them were probably looking for work or ways to make some money. What this young man saw was the same thing that everyone else saw - he just looked at it differently. He looked at it for the opportunity!

As Yogi Berra once said - you can see a lot by observing! Entrepreneurs often look at the same things and have the same information as other people. They just make more use of what they see and hear.

You have to keep your eyes and ears open. When opportunities knock - or when windows of opportunity open - you have to be able to hear and see them.

Finding Opportunities

Will you be home when opportunity knocks?

Finding Opportunities

ACTIVITY: Pause right now and look around you. Is there anything there that might be an opportunity? Write down three things that you see. Next try to get yourself to look at these things differently than you have before. Look at them for the possible opportunities that they might bring to mind.

Items that you see:

_____

_____

_____

Opportunities that come to mind:

_____

_____

_____

Next, let's move away from where you are to see if any opportunities can be found.

Finding Opportunities

ACTIVITY: Take a walk around one block and describe exactly what you see. Are there windows? Are they clean or dirty? Are any broken? What do you see on the ground? Think about some of the things that you don't see that may have surprised you.

Things I did see:

_____

_____

_____

_____

_____

_____

Things I didn't see:

_____

_____

_____

_____

_____

_____

Finding Opportunities

ACTIVITY: Take a walk around one block in your area and list all the people you see and what they are doing.

Person/What the person is doing:

Finding Opportunities

ACTIVITY: After your walk around the block, recall what you saw people doing to provide goods or services in exchange for money. Do not just think of store owners; think about delivery people, service people, window washers, etc.

Things people were doing in exchange for money:

_____

_____

_____

_____

_____

_____

Finding Opportunities

ACTIVITY: This time, as homework, you are going to take a walk around your own neighborhood. Take this book with you and make several lists.

List One: Things people were doing in exchange for money:

_____

_____

_____

_____

List Two: List all the businesses in your neighborhood:

_____

_____

_____

_____

_____

List Three: Think about the things you did not see people doing in exchange for money, the businesses you did not see, the things and services you could not buy in your neighborhood. List them below:

_____

_____

_____

_____

_____

All of the items in your List Three are market gaps which could be opportunities for good business ideas.

Finding Opportunities

ACTIVITY: Your next challenge is to look around your school for problems.

Try to identify five problems that exist in your school.

Problems in the school:

1. _____

_____

_____

_____

_____

_____

What could be done:

_____

_____

_____

_____

_____

_____

Finding Opportunities

Check Point! Check Your Understanding

1. Why are your senses important in finding opportunities?

2. How can you use your "eyes" to help you find opportunities?

3. How can you use your "ears" to help identify opportunities?

4. List three possible opportunities in your community and explain why you think they are opportunities.

5. List two possible opportunities in your school and explain why you think they are opportunities.

Thinking Sideways

In addition to using your senses to help you detect opportunities around you and in your neighborhood, there is another thing you can do to help you find opportunities - you can learn to "think sideways" more often! Most people can "think sideways" from time to time. But, some do it more frequently than others.

What does "thinking sideways" mean? Here are some other ways to say the same thing:

- Think differently
- Realize that there is more than one way to do something
- Look for the alternatives
- Look for new and better solutions
- Don't assume that today's solution is the "right" solution or the only solution.

There are some hints that will help free you to "think sideways". Whenever you must try to solve a problem, or whenever you go out to observe and look around you, try doing the following:

- Dump your expectations. Think of some of the things you would have expected and then "unexpect them". Flip your thinking around. Did you expect that people would walk on the sidewalk? Did you expect that bird would fly? Did you expect to see through the window? What if you couldn't? What if they didn't? What if things weren't like your expectations? What possibilities might there be then? What possibilities come to mind? What sideways thinking is going on here?

- Keep your mind open for simple solutions. Maybe the solution isn't so hard. Maybe the solution isn't hard to see. Maybe everybody knows about the solution but no one is doing anything about it. Maybe the answer is lying right under your nose!

- Don't look directly at the problem, but look at the things that go along with it. What is causing the problem? What is the actual problem? Is there another way of looking at the problem?

Finding Opportunities

If you look only at the expected, it can often blind you to simple solutions. Here are some questions you can try to answer just for fun. ***Hint . . .*** Do not let all the details in the questions blind you to the simple answers. Don't be embarrassed if you don't get the answer, or if it takes awhile to figure it. These questions have confused many people. To help you out if you get stuck, your instructor will provide you with the answers.

QUESTION #1:

Figure out this problem in diplomatic relations: If an international airliner crashed directly on the US/Canadian border, where would the survivors be buried?

Answer: _____

QUESTION #2:

If an electric train, going 100 miles per hour, ran into a 100 mile per hour wind gust...which way would the smoke from the train blow...straight up or backward?

Answer: _____

QUESTION #3:

Is it legal in Ohio for a man to marry his widow's sister?

Answer: _____

Now, let's look at some examples of how problems have been solved with this sideways thinking we have been talking about.

Finding Opportunities

1. THE CASE OF THE SLOW ELEVATOR

A famous New York City hotel received several complaints a day from hotel guests about its slow elevators. The hotel management brought in several mechanical engineering consultants to figure out a way to make the elevators move more quickly.

No one was able to solve the problem until a consultant was hired who was a sideways thinker. The consultant knew that one way to solve the problem was to look not at the slow elevator, but concentrate on the hotel guests who were complaining.

His solution: Place full length mirrors next to the elevators on every floor. People don't mind waiting for the elevator if they have something to do. They would be so interested in looking in the mirrors to adjust their hair or clothing - or simply to admire themselves - that they would forget the slow elevators!

2. THE CASE OF THE MARCHING NINJA

In medieval Japan, the Ninja, a special class of warriors and spies, had a leader who wanted them to be able to march twice as far in a night as any other warriors.

For their special skills, the Ninja were still human beings with human limits on the speed at which they could move their legs. No matter how fast they tried to march, they could not reach the goal of moving twice as fast, and therefore twice as far, as other warriors in the same length of time. Their group must have included sideway thinkers because they proposed a very interesting solution.

The Proposed Solution: They noticed that, if you step sideways, your stride is nearly twice as large as if you step forward (as most of us do when we walk). After special training for endurance and so their legs could stand the constant stepping sideways, the Ninja proposed to march twice as far as normal warriors by taking sideways steps that were twice as long as normal strides! (Try this for yourself. What part of this creative idea works? Can you see any problems with the idea?)

One message from these problems and solutions is that you should never be too quick to judge people's ideas. Just think of some of the crazy ideas people have come up with to make money in past years - Can you remember, or did you ever hear about Hula Hoops? And what about "Silly Putty"?

In the space below, list one or more of the craziest things you have ever heard of someone buying. Also, tell why you think they bought it.

Crazy purchases:	**Why I think they bought it:**

Recognizing Trends

Trends give rise to opportunities. If you can spot trends as they are forming - such as trends in clothing, recreation, eating, and entertainment - you can take advantage of the opportunities that will be generated.

ACTIVITY: Identify some of the recent "trends" that have come and gone, or are still going.

Recent Trends:

_____

_____

_____

_____

_____

_____

ACTIVITY: Now, use your sideways thinking and imagine a trend. What trend can you see possibly occurring in the future?

New Trends:

_____

_____

_____

_____

_____

_____

Opportunities and Risks

To be an entrepreneur, you have to be willing to take a calculated risk. Entrepreneurs risk money, time, hard work, and sometimes their reputations to pursue market opportunities in which they believe strongly. These opportunities have no guarantee of success, however. Entrepreneurs accept the known risks in anticipation of the potential personal and financial rewards of creating successful businesses.

Good entrepreneurs are always trying to understand and reduce or control their risks. Some of the ways entrepreneurs "manage" risk are with market research, business planning, and constant attention to their competitive environment and to the future changes they see coming.

Everyone takes risks. Some people do not even know that they are taking risks. Yet there are some other people who feel that they are taking a risk just by getting out of bed in the morning!

What seems like a terrible risk to one person is just plain fun, a challenge, or no problem at all to someone else!

Look more closely at what kinds of calculated chances you are willing to take. Once you have an understanding of that part of yourself, you will be a better judge of which "opportunities" are good opportunities for you .

Evaluating Opportunities

Once you start looking for opportunities, you'll find that they really are all around you. You will also find that you become very interested in whether they are good opportunities.

What signals a good opportunity and an opportunity that is good for you?

Let's consider how to evaluate opportunities. The following suggest some of the questions that will be important for you to ask in order to "assess" an opportunity.

Assessment of an Opportunity

Real:	Is it really an opportunity? Is it a want that people have? Is it something people see as a problem?
Competition:	Has it been seen by others? If so, by many? By whom?
Enduring:	How long will this opportunity last? Is it a brief "window of opportunity" or a wide open window that should last for quite a while?
Specific Information:	Have you specifically defined the opportunity so that you can focus on one area?
Market:	Are you satisfied that you have accurate and sufficient information on the opportunity and the potential market it represents for selling a good or service?
Experience:	Do you really know what you're doing in this area? Can you learn? How important will experience be?
Product:	Can you come up with a good idea for a good or service to meet this opportunity?
Comparison:	How does it compare to other opportunities you have identified? Is the opportunity worth a try?
Risks:	What are the most likely problems you will face if you try to start a business to meet this opportunity?

Evaluating Opportunities

Check Point! Check Your Understanding

1. Explain what is meant by "sideways thinking".

2. Why is sideways thinking important to entrepreneurs?

3. Identify three techniques that you might use to help you think sideways:

   1)

   2)

   3)

4. Identify a potential trend and describe some of the new opportunities it might create.

5. In what ways are entrepreneurs risk takers? What do they risk?

6. What are some of the important things to consider when you are assessing an opportunity?

An Idea, Without An Opportunity, Just Won't Fly - and It Won't Bounce Either

As you look for opportunities, be sure not to confuse ideas with opportunities. It is very important to realize how essential an opportunity is to an entrepreneur. You can have a great idea, but if it doesn't address an opportunity in the marketplace, it just won't turn into a successful business. Consider the following story.

John Van Auken had set out to change the way tennis is refereed. He developed "Accu-Call", an electronic line-calling system with an accuracy rating of well under 1/10th of an inch to put an end to outbursts about line calls by temperamental tennis stars.

The idea for the Accu-Call system was born before 1980. Van Auken, then close to sixty, was a Miami based engineer and inventor with Saxon Industries. His love of tennis led him to adopt the role of "father advisor" for many of the young players. He even let them stay in his Florida home for the winter tournaments. One of his guests had the idea of an automatic line-calling system.

Van Auken thought the problem was simple and promised a solution within a week. Fifteen years and $4 million later, the product was ready. Accu-Call works by layering the top of the net and parts of the court with cross circuited wires set in a mat of acrylic 1/64th of an inch thick. The ball is also wired with stainless steel fibers woven into its fuzzy covering.

Manufactured under a special arrangement by Penn Athletic, a Phoenix, Arizona based sporting goods maker, the balls look and feel the same as regular ones. But when they hit the appropriate part of the court surface an electronic signal is automatically triggered.

Depending on the setting chosen, Accu-Call registers rulings on a set of lights, similar to traffic signals, hanging at each end of the court, or on a small panel monitored by an umpire. It can also have a computer-synthesized voice calling the rulings.

Evaluating Opportunities

But there was a problem with the idea. The problem was that, as it works out, the tournament organizers aren't really that anxious to have a system that takes the human controversy out of calls. The arguments are one of the things that people who watch tennis seem to enjoy.

Accu-Call is a good idea that, as yet, hasn't found an opportunity! No opportunity, no (or few) sales - no matter how good the idea is. Opportunities are very important to the entrepreneur!

As Jeff Timmons, an international expert on entrepreneurship, puts it, "A good idea is nothing more than a tool in the hands of an entrepreneur." To become an entrepreneurial reality, the idea needs a market.

Taking an Entrepreneurial Safari

Looking for opportunities is a lot like looking for unusual wildlife to photograph on a safari. You have to understand the general characteristics and habits of "opportunity wildlife", how "opportunity wildlife" like to hide and camouflage themselves, the unusual places they hang out and how to track them and spot them at a distance.

You don't wait for opportunities
to come to you.
You have to go and find them.
Look for them.
Hunt for them.

Take an entrepreneurial safari!

BEST COPY AVAILABLE

Taking an Entrepreneurial Safari

The following are some hints for that entrepreneurial safari you might want to take to look for business opportunities.

Safari Tip #1: Recognize patterns as they are forming. The entrepreneur has an advantage if trends, patterns and changes are seen before others have seen them - perhaps even before they have happened.

Safari Tip #2: Look at the small things. Many of the best opportunities lie in what has been overlooked by others.

Safari Tip #3: Don't overlook the obvious. There is a saying that "only a foolish mouse would hide in a cat's ear, but it is the foolish cat that fails to look there."

Safari Tip #4: Watch for good ideas that are poorly executed. Some people find good opportunities but just don't know how to take advantage of them and you may know how.

Safari Tip #5: Combine two or more things/thoughts together. Somebody first came up with the idea for a combined coffee shop and book store. Opportunities can often arise when two things are brought together that weren't together before.

Safari Tip #6: Look for new, generally unknown information. The best information for generating new opportunities is usually that which is new and /or generally unknown.

Safari Tip #7: Talk with people. What better way is there to identify what people want than by talking to them and finding out?

Safari Tip #8: Read journals, trade magazines, etc., to keep on top of things and to gather new information that may give rise to an opportunity or idea.

Safari Tip #9: Look for what has worked elsewhere.

Safari Tip #10: Look for new ways to meet old needs and wants.

Taking an Entrepreneurial Safari

Safari Tip #11: Look for ways to overcome barriers that blocked a good idea in the past. People tend to resist change, and some other entrepreneur may have been unable to overcome the resistance to a good idea.

Safari Tip #12: Look for "left behind" markets. Leaded gas cars. Older computers. 8 track tape players. Volkswagen beetles. As long as people continue to use certain things, they continue to have needs.

Safari Tip #13: Look for good ideas that can be improved.

Safari Tip #14: Look at "why" people buy something rather than "what" they buy. The idea is to get at what it is that motivates people - what prompts them to buy something - what are the underlying wants. Therein lie the opportunities.

Safari Tip #15: Look for new uses for old products. Old tires. End pieces of lumber. Record players. Records.

Safari Tip #16: Look for what is not working.

Safari Tip # 17: Look for unhappy, dissatisfied people. Here you will find wants that are still to be addressed.

Safari Tip #18: Look for happy, contented people. Here you will find insight into what has worked and what might work better.

Safari Tip #19: Keep your eyes and ears and mind open. There is no more important tip than this one!

LIVING YOUR "HOPS" AND DREAMS

Often entrepreneurs are looking for new opportunities and new ideas for businesses to fulfill their dreams. Let's conclude this module with a look at one such young entrepreneur.

Alma loved animals. Her dream was to be a veterinarian one day. That was still a long way off, however, and she didn't want to wait until then to start working with animals.

Alma had read an article that talked about how important pets were in people's lives and how people were also starting to have a wider range of pets. She also noticed that more and more pet stores were opening as a result of this "higher demand" for pets.

Alma had spotted an opportunity. More and more people were saying "I want a pet" or "I want another pet". What she needed was an idea and she began to look for one.

Alma knew that she had to come up with an idea for a pet that many people would want and an idea that was not fully supplied by the market. She did some research and found that one type of pet growing in popularity was rabbits. Alma needed more information.

Alma wanted to find out the type of rabbit that people wanted the most. She talked with people at the zoo. She talked with people who worked with and owned rabbits. She talked with some veterinarians. She bought some books on rabbits that had pictures of the various breeds so she could show the pictures to people and ask them to point out which they liked best.

Through Alma's research, she decided on the flop-eared rabbit. People thought they were very cute, liked them the most and found it easy to breed them and care for them.

Alma set up "The Flop Shop for Rabbits". She raised the money to buy the breeding rabbits to start her business. Today she breeds her rabbits and sells them to pet stores at one price, and they sell the rabbits to customers at a higher price. The more stores sell, the more they are willing to buy from Alma. Alma just has to work out ways to ensure that her supply can keep up with the amount demanded.

Taking an Entrepreneurial Safari

The Flop Shop for Rabbits is "hopping" - in Alma's basement and backyard.

What is the opportunity that Alma has found?

Describe Alma's idea:

What other idea(s) can you come up with that might respond to this opportunity?

Use the "ASSESSMENT" outline (page 34) and evaluate Alma's opportunity.

What are the strengths and advantages of Alma's idea?

Taking an Entrepreneurial Safari

.. What are the possible weaknesses or problems with her idea?

_____

_____

_____

What business similar to Alma's might work in your community? If you don't think it would work, explain why not.

_____

_____

_____

Taking an Entrepreneurial Safari

Check Point! Check Your Understanding

1. Will a good idea always result in a good business? Explain.

2. How is an idea different from an opportunity?

3. Identify five places or things you might begin to look for to help you find an opportunity, if you were going to start an entrepreneurial safari.

   1)

   2)

   3)

   4)

   5)